

SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 1459 be amended to read as follows:

1 Page 1, delete lines 1 through 17, begin a new paragraph and insert:
2 "SECTION 1. IC 27-1-37.1 IS ADDED TO THE INDIANA CODE
3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2001]:

5 **Chapter 37.1. Termination of Health Provider Contracts**

6 **Sec. 1. As used in this chapter, "health maintenance**
7 **organization" means a person that undertakes to provide or**
8 **arrange for the delivery of health care services to individuals on a**
9 **prepaid basis, except for the individual's responsibility for**
10 **copayments or deductibles. The term includes a limited service**
11 **health maintenance organization. The term does not include a**
12 **staff-model health maintenance organization that employs a group**
13 **of providers and that requires the providers to provide health care**
14 **services solely to individuals who are entitled to coverage under a**
15 **contract with the staff-model health maintenance organization or**
16 **an affiliate of the staff-model health maintenance organization.**

17 **Sec. 2. As used in this chapter, "health provider contract"**
18 **means an agreement with a provider relating to terms and**
19 **conditions of reimbursement for health care services provided to**
20 **an individual under:**

21 **(1) an employee welfare benefit plan (as defined in 29 U.S.C.**
22 **1002 et seq.);**

23 **(2) a policy of accident and sickness insurance (as defined in**
24 **IC 27-8-5-1);**

25 **(3) a contract with a health maintenance organization;**

26 **(4) a self-insurance program established under**
27 **IC 5-10-8-7(b); or**

28 **(5) a prepaid health care delivery plan entered into under**
29 **IC 5-10-8-7(c).**

30 **Sec. 3. (a) As used in this chapter, "person" means an**
31 **individual, an agency, a political subdivision, a partnership, a**

corporation, an association, or any other entity that enters into a health provider contract with a provider.

(b) The term does not include a health care provider described in IC 16-18-2-163(a)(1), IC 16-18-2-163(a)(2), IC 16-18-2-163(a)(3), or IC 16-18-2-163(a)(4).

Sec. 4. As used in this chapter, "provider" means:

- (1) a physician licensed under IC 25-22.5;
- (2) a dentist licensed under IC 25-14;
- (3) an advanced practice nurse licensed under IC 25-23;
- (4) a chiropractor licensed under IC 25-10;
- (5) a podiatrist licensed under IC 25-29;
- (6) an optometrist licensed under IC 25-24; or
- (7) a clinical psychologist licensed under IC 25-33.

Sec. 5. A person who enters into a health provider contract with a provider shall provide written notice to the provider of any amendment to the health provider contract not less than forty-five (45) days before the proposed effective date of the amendment.

Sec. 6. (a) Subject to subsection (b), a provider who receives notice under section 5 of this chapter may terminate the health provider contract without penalty by informing the person with whom the health care provider contracts that the provider chooses not to approve the amendment.

(b) Notice under subsection (a) must be:

- (1) given not later than fifteen (15) days after the provider receives notice under section 5 of this chapter; and
- (2) in writing.

Sec. 7. The termination of a contract under section 6 of this chapter is effective:

- (1) ninety (90) days after the person with whom the provider contracts receives written notice from the provider that the provider does not approve the amendment; or
- (2) on a date earlier than the date described in subdivision (1), if agreed to by the person with whom the provider contracts and the provider.

Sec. 8. If a person with whom a provider contracts receives notice from a provider under section 6 of this chapter, the person with whom a provider contracts may not require the provider to comply with the proposed amendment.

Sec. 9. Except in an emergency, a provider who elects to terminate a health provider contract under this section shall, before providing services to a patient who is covered by the contract, notify the patient that the provider's contract has been or will be terminated.

Sec. 10. Except as provided in section 7(2) of this chapter, a health provider contract provision that is contrary to this chapter is void.

Sec. 11. This chapter does not apply to an amendment to a health provider contract that is required to comply with a state or

1 **federal law.**

2 SECTION 2. IC 27-13-9-3, AS AMENDED BY P.L.133-1999,
3 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2001]: Sec. 3. (a) A health maintenance organization shall
5 notify an enrollee in writing of the termination of:

6 (1) the provider who currently provides primary health care
7 services to that enrollee; ~~and~~

8 (2) any other participating provider seen by the enrollee during
9 the previous year; **and**

10 **(3) a hospital.**

11 (b) After the termination of the provider who provided primary
12 health care services to an enrollee, the health maintenance organization
13 shall assist the enrollee in transferring to another participating primary
14 care provider.

15 **(c) If a health maintenance organization notifies an enrollee of**
16 **the termination of a hospital, the notice must include the names of**
17 **all participating providers employed by the hospital."**

18 Delete page 2.

19 Page 3, delete lines 1 through 23.

20 Page 3, line 24, delete "IC 27-8-11-7 and" and insert
21 **"IC 27-1-37.1,"**.

22 Page 3, line 25, delete "IC 27-13-36-12, both".

23 Page 3, line 25, delete "apply" and insert **"applies"**.

24 Renumber all SECTIONS consecutively.

(Reference is to EHB 1459 as printed March 23, 2001.)

Senator MILLER